

ADVANTIUS, INC.

ASO DISTRIBUTION AGREEMENT

This ASO Distribution Agreement (the "Agreement") is entered into by Advantius, Inc. ("Advantius") and Adminasource, Inc. ("Distributor") to be effective upon January 1, 2002 ("Effective Date").

RECITALS

1. Advantius is in the business of providing ASO-Type Services for distribution by businesses that desire to offer ASO-Type Services direct-to-market.
2. Distributor is interested in becoming a distributor of ASO-Type Services offered by Advantius.
3. To that end, Advantius and Distributor agree as follows:

AGREEMENT

1. General Definitions

As used in this Agreement and Addendum, the following terms shall have the following meaning:

- 1.1. "ASO" means an "Administrative Services Organization" that provides the type of services outlined in §1.3 of this Agreement.
- 1.2. "Advantius' ASO Services", "ASO Services", or "Services", means the specific services provided by Advantius to Distributor's Subscribers as defined in Appendix A of this Agreement ("Advantius ASO Services Description") attached hereto and incorporated herein.
- 1.3. "ASO-Type Services" is a general term describing the type of services typically provided by an "Administrative Services Organization." Specifically, ASO-Type Services means a combination of outsourced human resource-related administrative and/or consultative services such as payroll services, benefit processing services, Human Resource Management Systems (HRMS), and human resource consulting, provided without the existence of a co-employment relationship between the third party, its employees, and/or the ASO.
- 1.4. "Distributor's Subscriber" or "Subscriber" means any employer (whether corporation, LLC, partnership, sole proprietor, etc.) to which Distributor sells Advantius' ASO Services under this Agreement for use by that employer solely on behalf of itself and its own employees.
- 1.5. "Party" or "Parties" to this Agreement are Advantius and/or Distributor as listed in this Agreement, and do not include any other third party, including Distributor's Subscribers.

The parties agree that any capitalized derivative of the above terms will be defined according to the definitions provided in this section.

2. Services Provided By Advantius For Distribution By Distributor

Advantius agrees to perform or provide the Services described in §1.2 above on behalf of Distributor for Distributor's Subscribers. Such Services shall remain unchanged throughout the Term of this Agreement, except as follows:

- 2.1. **Changes Made By Advantius' HRMS Software Licensor.** Advantius may, without notice, modify, enhance or discontinue the functions of its Advantius HRMS/PAYROLL and/or AdvantiusWeb (ESS and MSS) as such functions are modified, enhanced or discontinued by Advantius' software licensor.
- 2.2. **By Mutual Agreement Of The Parties.** The Parties may mutually agree to modify, enhance or discontinue one or more of the Services provided under this Agreement, and agree to adjust Fees accordingly.

3. Distribution Licenses Granted By Advantius To Distributor.

In regards to Advantius ASO Services, Advantius hereby grants Distributor the following non-exclusive licenses:

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- 3.1. **Direct-To-Market Sales License.** Distributor has right to market and sell Advantius ASO Services to any entity within the United States of America that meets the definition of the term "Distributor's Subscriber" as defined in §1.4 of this Agreement, with the following restrictions:
- 3.1.1. **No Sales To Resellers.** Distributor may not sell or otherwise deliver Advantius ASO Services to any person or entity that would in turn resell Advantius ASO Services to any other person or entity. Specifically, Distributor may not sell or otherwise deliver Advantius ASO Services to: Professional Employer Organizations, Administrative Service Organizations, Business Processor Organizations, Third Party Administrators, insurance brokers, payroll service providers, or any other third party who would attempt to resell Advantius ASO Services under any scheme or arrangement.
- 3.1.2. **Advantius Is Distributor's Exclusive ASO Service Provider.** While this Agreement is in force, Distributor may not market, sell or otherwise deliver to any other person or entity a service or services that are equivalent to or an effectual substitute for a Service or Services which Advantius is providing to Distributor under §1.2 of this Agreement, without obtaining prior written permission from Advantius. Distributor agrees that Advantius will be its sole provider of the Services defined in §1.2 of this Agreement, during the Term of this Agreement, unless expressly permitted to do otherwise by Advantius.
- 3.1.3. **Distributor's Right To Set Subscriber Fee Levels.** Distributor has the right to set the levels of all fees charged by Distributor to its Subscribers for Advantius ASO Services, so long as such fees are equal to or greater than the Fees Advantius will charge Distributor for each respective Subscriber. Distributor may only set its Subscribers' fee levels below Advantius' Fee levels with prior written permission from Advantius.
- 3.2. **Advantius HRMS/Payroll And AdvantiusWeb Distribution License.** Subject to the terms of this Agreement, Advantius hereby grants Distributor a non-exclusive, non-transferable, limited, revocable license to distribute Advantius HRMS/Payroll and AdvantiusWeb (MSS & ESS) under the "Powered by Ultipro License Agreement" ("Ultipro Agreement") between Advantius and Ultimate Software Group, Inc. (Advantius' licensor for Advantius HRMS/Payroll and AdvantiusWeb), solely as a function of selling Advantius ASO Services to Distributor's Subscribers according to the terms of this Agreement. This license does not give Distributor the right to sell, lease, or otherwise distribute Advantius HRMS/Payroll and AdvantiusWeb under Advantius' Ultipro Agreement other than as expressly described in this provision. As a limited "distributor" under the Ultipro Agreement, Distributor agrees to comply with the terms of the Ultipro Agreement (attached hereto as Appendix C to this Agreement, and incorporated herein) and agrees that any material non-compliance with the terms of the Ultimate Agreement by Distributor may be deemed a "default" under §10.1.2 of this ASO Distribution Agreement resulting in termination of this ASO Distribution Agreement and its accompanying licenses.
- 3.2.1. **Intellectual Property Rights Remain With Advantius And Its Licensors.** Distributor understands that Advantius HRMS/Payroll and AdvantiusWeb are proprietary products of Advantius and its licensors that contain trade secrets and are protected by copyright law. Advantius and its licensors shall have sole and exclusive ownership of all right, title and interest in and to Advantius HRMS/Payroll, AdvantiusWeb, related documentation and all copies thereof, and all modifications and enhancements thereto (including ownership of all copyrights and other intellectual property rights pertaining thereto), subject only to the right and license expressly granted to Distributor herein. This Agreement does not provide Distributor or Distributor's Subscribers with title or ownership of Advantius HRMS/Payroll or AdvantiusWeb, but only a right to use under the terms of this Agreement. Distributor may not resell or otherwise provide access to Advantius HRMS/Payroll or AdvantiusWeb to any third-party who would resell or otherwise provide access to another third party other than its own employees for their own use. Distributor may not use, copy, modify, decompile, reverse engineer, or distribute any portion of Advantius HRMS/Payroll or AdvantiusWeb (electronically or otherwise), or any copy, adaptation, transcription, or merged portion thereof, except as expressly authorized by Advantius in writing signed by both parties.
- 3.3. **Licenses Revoked Upon Expiration of Agreement.** All licenses are immediately and automatically revoked upon expiration or termination of this Agreement. Further, upon expiration or termination of this Agreement, Advantius shall immediately disable Distributor's and Distributor's Subscribers' access to Advantius HRMS/Payroll and AdvantiusWeb (MSS & ESS).

Except as expressly provided herein, Advantius does not grant any other rights or licenses to Distributor whether by implication, estoppel, or under any other theory of law.

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4. Service Fees

In exchange for the Distribution License defined in §3 above, Distributor agrees to pay the Fees as outlined in Appendix A, "Advantius ASO Services Description", and Appendix B, "Pricing Proposal" (herein collectively referred to as "Fees"), attached hereto and incorporated herein.

The Parties agree to the following provisions regarding Fees:

- 4.1. **Monthly Administrative Fees.** Advantius' Monthly Administrative Fees, as defined in Appendix B, shall remain fixed and unchanged for the Term of this Agreement with the following exceptions:
 - 4.1.1. **Annual CPI Increase.** Upon each anniversary of the Effective Date of this Agreement, Advantius may increase its Monthly Administrative Fee in accordance with the Consumer Price Index, and such increase will be automatic and require no advanced notification.
 - 4.1.2. **Fee Increases From Ultimate Software Passed Through.** Advantius may immediately pass on any increases in fees charged to Advantius by Ultimate Software Group, Inc., in regards to the Advantius HRMS/Payroll and/or AdvantiusWeb services that Advantius provides to Distributor.
The Parties agree that Distributor will be charged the Monthly Administrative Fee, as outlined in Appendix B, based upon all of its Subscribers' active employees (defined as being on active status in Advantius HRMS/Payroll) regardless if its Subscribers elect to run their regularly scheduled payrolls or not.
- 4.2. **Implementation Fees.** Advantius will charge Distributor the Implementation Fees as defined in Appendix B according to the following provisions:
 - 4.2.1. **Distributor Implementation Fee.** A non-refundable, one-time, "Distributor Implementation Fee" as defined in Appendix B, will be due and payable by Distributor upon signing this Agreement. Only after the Fee is received will Advantius begin implementation of Services for Distributor.
- 4.3. **Subscriber Implementation Fee.** A non-refundable, one-time-per-Subscriber, "Subscriber Implementation Fee" as defined in Appendix B, will be due and payable upon the signing of each of Distributor's Subscribers. Only after this Fee is received will Advantius begin implementation of Services for Distributor's Subscribers. This Fee shall remain fixed and unchanged for the Term of this Agreement, unless as otherwise provided below:
 - 4.3.1.1. **Fee Increase Due To Subscriber Customization Request.** Advantius reserves the right to increase its Subscriber Implementation Fee on a case-by-case basis when a Subscriber requests or requires customization in its setup on Advantius HRMS/Payroll and AdvantiusWeb that requires Advantius to spend additional resources beyond that typically required for an implementation process.
 - 4.3.1.2. **Annual Fee Increase.** Upon or after each anniversary of the Effective Date of this Agreement, Advantius may increase its Subscriber Implementation Fee for new Subscribers by submitting written notification of such to Distributor.
- 4.4. **Other Fees Charged By Advantius.** All other Fees charged by Advantius as outlined in Appendix A and B which are not included in §4.1 or §4.2 of this Agreement (e.g., Fees for new employee set up, new state registration, check stock, off-cycle payroll runs, and consulting services), and are not a Fee charged by a third party that is passed through to Distributor by Advantius, are subject to change at any time upon thirty (30) days written notice to Distributor by Advantius. However, consulting and training Fees are not subject to the thirty-day written notice requirement, but are subject to change upon any advance notification by Advantius to Distributor.
- 4.5. **All Third Party Expenses Passed Through to Distributor.** The Parties agree that Advantius bears no responsibility nor liability for any fees and/or expenses, or increases in fees and/or expenses, charged by third party vendors, other entities or governmental agencies, related to Distributor's Subscribers' employee welfare, pension or other insurance/benefit plans, including, but not limited to: 401(k), health insurance, dental insurance, disability insurance, life insurance, and §125 cafeteria plans. Such fees and expenses also include, but are not limited to, premiums (including all increases thereto), any and all administrative charges (including IRS Form 5500 preparation charges as applicable), taxes, and any other charges, penalties or expenses charged by a third party vendor, other entity or governmental agency, regarding the above-described plans. The parties agree that Distributor has the responsibility to seek payment from its Subscribers for such expenses, and that Advantius has no responsibility nor liability for such expenses other than to facilitate Distributor's Subscribers' timely payment thereof. Advantius assumes no responsibility or liability for payment of such expenses in the case of late-payment or non-payment by Distributor or Distributor's Subscribers.

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4.6. Renegotiation Of Fees Upon Expiration Of Term. The Parties agree that upon expiration of the Term of this Agreement, as defined by §9 of this Agreement, and in preparation for renewing the Term of this Agreement per §9, all Fees are subject to change.

5. Collection Of Payroll, Fees And Other Monies

The parties agree to the following provisions regarding the billing and collection of Fees and other amounts due under this Agreement:

5.1. Collection Of Subscribers' Payroll And Related Fees And Expenses. The Parties agree that Advantius shall collect and distribute Subscribers' payroll and related Fees and expenses according to the following procedures:

- 5.1.1. Payroll Preparation and Fee Calculations.** Distributor shall collect, verify, and transmit to Advantius' administrative office any information required by Advantius to process its Subscribers' payrolls for the relevant period and to determine the Fees due Distributor and Advantius no less than four (4) business days before the corresponding payroll dates. The Parties agree that the timely processing of Subscribers payrolls is subject to Distributor providing the information needed to process such payrolls in accordance with the four day minimum requirement described in this provision.
- 5.1.2. Billable Amounts.** Advantius will then determine the exact amount of each Subscriber's payroll and related expenses and Fees pertaining to the relevant pay period. This amount includes (as applicable depending upon service package selected by Subscribers): employee payroll, employment taxes (both employee and employer portions), applicable Fees as described in §4 of this Agreement or as otherwise included by addendum, workers' compensation premiums and fees, employee benefit premiums and fees, and employee deferred compensation plan contributions and fees.
- 5.1.3. Billing Subscribers.** Advantius will then bill Subscribers for the total amounts owed as described in §5.1.2 of this Agreement by sending an Automated Clearing House (ACH) batch file consisting of direct debits to Subscribers' designated accounts. Distributor is responsible for ensuring that its Subscribers fully fund their designated accounts no later than two (2) business day before Subscribers' respective paydays. ACH direct deposits for Subscribers' employee payroll (drawn from Distributor's designated payroll accounts) will be sent no later than two (2) business days before Subscribers' respective paydays subject to Distributor's compliance with §5.1.1 of this Agreement.
- 5.1.4. Collection of Payroll And Payroll-Related Fees And Expenses.** All billable amounts, as described in §5.1.2, will be deposited into Distributor's designated payroll account as part of the ACH billing process described in §5.1.3.
- 5.1.5. Responsibility for Payroll.** Advantius assumes no responsibility for Distributor's Subscribers' payroll obligations to its employees or related third party vendors or governmental agencies (e.g., employment taxes) in the case that Distributor's Subscribers fail to adequately fund their payrolls in full or in part. All net payroll checks will be drawn off of Distributor's designated payroll account.
- 5.1.6. Security Deposit.** Advantius reserves the right to require Distributor to deposit such sums as Advantius, in its sole discretion, may determine are necessary from time to time to secure the performance of Distributor or its Subscribers under this Agreement. Advantius shall apply such sums to any default in payment by Distributor or Distributor's Subscriber. Advantius' waiver of the security deposit requirement shall not operate as a waiver of Advantius' right to require a deposit at a subsequent time. Upon termination of this Agreement, Advantius shall remit to Distributor any balance remaining in Distributor's deposit account within ninety (90) days so long as Distributor has performed all of its obligations under this Agreement.
- 5.1.7. Changes To Billing Processes.** The Parties agree that Advantius may make reasonable modifications to the processes described in §5.1 for purposes of efficiency and/or cost savings.

5.2. Collection Of Monthly Administrative Fees And Other Monies By Advantius. The Parties agree that Advantius shall debit Distributor's designated account for the collection of the Monthly Administrative Fees and other Fees and monies related to its Subscribers' payrolls (including, as applicable based upon Services selected by Subscribers: employment taxes—both employee and employer portions, workers' compensation premiums and fees, employee benefit premiums and fees, and employee deferred compensation plan contributions and fees) as follows:

- 5.2.1.** Each Monday for Subscribers who have had a regularly scheduled payroll date on the preceding Wednesday, Thursday or Friday for the prorated portion of each Subscriber's Monthly Administrative Fees that are due Advantius based upon the number of regularly scheduled payroll dates each Subscriber has in the month.
- 5.2.2.** Each Wednesday for Subscribers who have had a regularly scheduled payroll date on the preceding Monday or Tuesday for the prorated portion of each Subscriber's Monthly Administrative Fees that are due Advantius based upon the number of regularly scheduled payroll dates each Subscriber has in the month.

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Advantius shall provide Distributor a billing statement for each debit that occurs. The Parties agree that §5.2.2 and §5.2.3 represent maximum collection periods, and that Advantius may collect certain amounts more immediately in the case that a payment is required to be made on behalf of a Subscriber more promptly than §5.2.2 and §5.2.3 would allow (e.g., Subscriber's tax filing payment requirements require deposit of employment taxes on the day after its pay date). Fees pertaining to individual Subscribers that are not Monthly Administrative Fees, such as Fees for off-cycle payroll runs, etc., shall be included in the collection process described in this Section and charged with the Subscriber's next regularly scheduled payroll following the provision of Services. Monthly Administrative Fees shall be collected in accordance with Subscribers' regularly scheduled pay dates per §5.2.1 and §5.2.2 above regardless if Subscribers run their regularly schedule payrolls or not. **DISTRIBUTOR AGREES TO MAKE TIMELY PAYMENT TO ADVANTIUS FOR ALL MONTHLY ADMINISTRATIVE FEES REGARDLESS IF DISTRIBUTOR HAS RECEIVED PAYMENT FROM ITS SUBSCRIBERS.**

5.3. Payment Of Other Fees By Distributor To Advantius. The Parties agree that Distributor shall make payment of other Fees as follows:

5.3.1. Subscriber Implementation Fees. Upon Distributor's submission to Advantius of a new Subscriber under this Agreement, Distributor shall pay Advantius the Subscriber Implementation Fee. The Parties agree that Advantius is not obligated to begin the implementation process until Distributor pays the Subscriber Implementation Fee to Advantius.

5.3.2. Other Fees. Advantius shall invoice Distributor for any other Fees due under this Agreement (e.g., Fees for new employee set up, check stock, off-cycle payroll runs, consulting services, etc.) and shall debit Distributor's account on or after the 5th business day after delivering the invoice to Distributor.

5.4. Methods of Payment. The Parties agree that all Fees due under this Agreement shall be paid to Advantius by Automated Clearing House (ACH) transfers. However, Distributor may elect to pay Subscriber Implementation Fees described in §4.3 and §5.3.1 via wire transfer. Distributor is solely responsible for any and all fees charged by banking institutions for ACH or wire transfers.

5.5. Late Payments. Any payment that is not received when due is subject to a penalty of \$50, and accrual of interest of five percent (5%), plus an additional two percent (2%) per day thereafter, until full payment of the invoice is received, up to the maximum penalty allowed by law. In addition, Advantius reserves the right to terminate this Agreement immediately per §10.1 of this Agreement.

6. Non-Disclosure, Security And Non-Solicitation.

6.1. Advantius' Responsibilities. Advantius agrees to provide the following security measures regarding Distributor's and Distributor's Subscribers' confidential information:

6.1.1. Non-Disclosure Of Confidential Information. Maintain the confidentiality of Distributor's and Distributor's Subscribers' data, and not disclose such data to any third party without approval from Distributor or Distributor's Subscribers, except at required in the regular course of performing Services under this Agreement, or by a subpoena or order of any court or governmental agency or entity. Further, Advantius will require all of its employees to sign a non-disclosure agreement that prohibits unauthorized disclosure of any of Distributor's or Distributor's Subscribers' confidential information.

6.1.2. Security. Provide multiple levels of security and password protection for all of Distributor's and Distributor's Subscribers' data on Advantius HRMS/Payroll and AdvantiusWeb and maintain industry-standard procedures, policies and practices to maximize security of Distributor and Distributor's Subscribers' information. Maintain up-to-date, industry-standard firewall security technology to block unauthorized access to Advantius network.

6.1.3. Non-Solicitation. Advantius agrees not to solicit any of Distributor's Subscribers, while they are active clients of Distributor, for purposes of selling ASO-Type Services.

6.2. Distributor's Responsibilities. Distributor agrees to the following:

6.2.1. Non-Disclosure Of Confidential Information. Distributor recognizes that as a result of entering into this Agreement, it may possess information of a confidential or secret nature that has commercial value pertaining to Advantius and its ASO Services. Such confidential or secret information for this purpose includes but is not limited to financial statements and forecasts, contracts and terms of contracts (including, but not limited to: this Agreement, and the "Powered by Ultipro License Agreement" between Advantius and Ultimate Software Group, Inc.), trade secrets, products and services plans and designs, business and marketing plans, processes, formulas, costs (forecasts and

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actual), computer programs, fee schedules (including Fees under this Agreement), data, know-how, inventions, improvements, techniques, strategies, forecasts, and customer lists related to the development and operation of Advantius and its ASO Services (hereafter "Confidential Information"). Distributor understands that its relationship with Advantius, as well as its access to Confidential Information creates an expectation of trust and confidence between Distributor and Advantius with respect to the Confidential Information. Therefore, Distributor agrees to keep in strict confidence all Confidential Information and not use or disclose to any third party the Confidential Information or anything relating to it in whole or in part, nor permit others to use or disclose it in any way, without the prior written consent of Advantius. Distributor agrees not to make copies or reproductions of any Confidential Information without the prior written consent of Advantius. This covenant of non-disclosure shall apply both during the term of this Agreement and after the term of this Agreement has expired. However, this provision shall not apply to Distributor regarding any information which: a) is or becomes publicly available through no fault of Distributor, b) is released by Advantius to the public or to another party without restriction; c) is obtained from a third party, legally entitled to disclose such information, without restriction on use or disclosure; or d) is previously known or developed by Distributor independently of Advantius.

7. Responsibilities of Distributor

Distributor agrees to the following terms and conditions:

7.1. Subscriber-Relations. Distributor agrees to the following in regard to its dealings with Subscribers and potential Subscribers:

- 7.1.1. To follow the processes and procedures required by Advantius regarding the marketing, implementation and day-to-day operations of Advantius ASO Services.
- 7.1.2. To not misrepresent or in anyway make inaccurate promises, claims and/or descriptions regarding Advantius ASO Services and its related processes, services, functions, procedures, etc., to its Subscribers, potential-Subscribers, and in its marketing materials and media communications.
- 7.1.3. To not misrepresent or imply to its Subscribers, potential Subscribers or any other third party that Advantius is or functions as a plan "administrator", as that term is used by the Employee Retirement Income Security Act of 1974 (ERISA), in regards to the benefit billing processing Services Advantius performs in regards to Subscribers' employee welfare and pension plans.
- 7.1.4. To require Subscribers to follow Advantius' policies and procedures for the processing of payroll and collection of monies and Fees as outlined in §5 of this Agreement.
- 7.1.5. To use contract templates that are pre-approved by Advantius when entering into subscription agreements with Subscribers. Further, distributor agrees to obtain pre-approval from Advantius whenever making material changes to its subscription contract(s).
- 7.1.6. To grant Advantius a right of refusal regarding the signing of Distributor's Subscribers. This means that upon Distributor's submission to Advantius of the application for Services for a new Subscriber, and in consultation with Distributor, Advantius shall have the right to refuse such application and refuse to provide Services for the Subscriber; such right of refusal shall not be unreasonably exercised by Advantius.
- 7.1.7. In the event that Distributor's Subscriber defaults in its obligations under the terms of its agreement with Distributor, to take appropriate and timely action to correct the default or terminate the agreement between itself and Subscriber.
- 7.1.8. To not disparage Advantius or put Advantius in negative light to its Subscribers or potential Subscribers.

7.2. Operations. Distributor agrees to:

- 7.2.1. Follow all operational processes and procedures received from Advantius regarding the implementation and day-to-day operations of Services under this Agreement. Such operational processes and procedures are subject to change by Advantius.
- 7.2.2. Report in a timely manner all information regarding the status of its Subscribers' employees, including but not limited to: hiring, termination, reassignment, status (active/inactive), leaves of absence, etc.
- 7.2.3. Report in a timely manner all necessary payroll information for Subscribers' employees, including but not limited to: employee names, social securities numbers, rates of pay or salary, hours worked, overtime worked, vacation pay due, sick pay due and/or holiday pay due, etc.
- 7.2.4. Ensure that its Subscribers set up and maintain their own bank accounts out of which Subscribers' payroll and other expenses and Fees will be debited by Advantius and credited to Distributor's designated account, and insure that Subscribers adequately funds such accounts.
- 7.2.5. Report in a timely manner all necessary information relating to Subscribers' employee welfare and benefit plans as required based upon each Subscriber's selection of Services.

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- 7.3. Hardware, Software and Internet Connectivity.** Distributor agrees to inform and require its Subscribers to maintain all hardware, software and internet connectivity required to utilize the Advantius HRMS/Payroll and AdvantiusWeb (includes Manager Self-Serve and Employee Self-Serve). Specifically, an internet connection of at least 56k with MS Windows 95 or greater, and either Internet Explorer 5.0 or greater.

The Parties agree that any material failure on part of Distributor to comply with one or more of the above-listed responsibilities qualifies as a default under §10.1 of this Agreement.

8. Limitations on Responsibility and Liability

The Parties agree to the following limitations on responsibility and liability:

- 8.1. Limitations On Advantius' Responsibility And Liability.** Distributor agrees to the following limitations on Advantius' responsibility and liability:
- 8.1.1. Distributor agrees that Advantius shall not be responsible nor liable for any failure to process payroll in a timely manner for Distributor's Subscribers if such failure is the result of Distributor or Distributor's Subscriber(s) not providing the necessary information and/or payment in a timely manner.
 - 8.1.2. Distributor agrees that Advantius shall not be responsible nor liable for inaccuracies in payroll processing resulting from errors in the information provided to Advantius by Distributor or Distributor's Subscriber(s).
 - 8.1.3. Distributor agrees that Advantius shall not be responsible nor liable for any failure to process employee tax payments, deposits or filings in a timely manner for Distributor's Subscriber(s) if such failure is the result of Distributor or Distributor's Subscriber(s) not providing the necessary information and/or payment in a timely manner.
 - 8.1.4. Distributor agrees that Advantius does not and cannot guarantee or warrant the correctness, accuracy, completeness or currentness of any information provided by Distributor or Distributor's Subscriber(s). Distributor acknowledges that Advantius will not conduct any independent investigation to confirm the correctness, accuracy, completeness or currentness of any information provided by Distributor or Distributor's Subscriber(s). Distributor agrees that Advantius shall not be liable for any loss or injury arising out of or caused, in whole or in part, by Advantius' processing of information provided by Distributor or Distributor's Subscriber(s) that is incorrect, inaccurate, incomplete and/or not current.
 - 8.1.5. Distributor agrees that Advantius shall not be responsible for the physical storage of any tax documents related to Distributor's Subscriber(s), excluding the processing and delivery of W-2 forms.
 - 8.1.6. Distributor agrees that Advantius shall not be responsible for the physical storage of any personnel records for Distributor's Subscribers and Subscribers' employees.
 - 8.1.7. Distributor agrees that Advantius shall not be responsible for, and hereby agrees to indemnify and hold Advantius harmless from, any loss suffered by any employee of one of Distributor's Subscribers' as a result of that employee being unable to cash payroll checks drawn on Distributor's or Subscriber's account, unless such is the direct result of negligence on the part of Advantius.
 - 8.1.8. Although Advantius may be providing certain rudimentary processing services to Distributor's Subscribers regarding the Subscriber's employee welfare and pension plans, the Parties Agree that Advantius is not a plan "administrator" as that term is used by the Employee Retirement Income Security Act of 1974 (ERISA) for such plans. The "administrator" is the Subscriber or other person designated by the terms of the applicable plan.
 - 8.1.9. Distributor agrees that this Agreement does not create an employee-employer relationship between its Subscribers' employees and Advantius; nor does Advantius have any responsibility, authority or obligation to manage or control the employment relationship between Distributor's Subscribers and its employees. Advantius is solely a provider of administrative and consulting services to Distributor's Subscribers via Distributor, and in no case is responsible for payment of Distributor's Subscribers' payroll and related expenses, including benefit premiums, 401(k) contributions and employment taxes, absent Distributor's full and timely satisfaction of all its obligations under this Agreement.
 - 8.1.10. Regarding the provision of any human resource/legal compliance consultative services provided by Advantius under this Agreement, the parties agree that Advantius has no responsibility to monitor, audit or oversee Distributor's Subscribers' compliance levels regarding any employment-related laws and regulations applicable to Distributor's Subscribers under the jurisdiction(s) in which Subscriber operates. The parties agree that Advantius is solely a resource for Distributor and/or Distributor's Subscribers to consult with, at Distributor's or Distributor's Subscriber's discretion and initiation, regarding their own human resource/compliance matters. The parties agree that by offering consultative services, Advantius is not assuming Subscriber's responsibility, either in full or in part, of control or monitor Subscribers' compliance levels in its workplace(s).

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- 8.1.11. To the maximum extent allowed by law, Distributor shall indemnify and defend Advantius and hold Advantius and its employees and agents harmless against all third party (including governmental agencies) causes of action, damages, losses, claims, citations, penalties, attorney fees and costs arising out of any willful or negligent act or omission or violation of law by Distributor related in any way to the performance of Distributor's obligations under this Agreement.
- 8.1.12. FURTHER, IN NO EVENT SHALL ADVANTIUS, ITS SUPPLIERS OR LICENSORS BE LIABLE TO DISTRIBUTOR, DISTRIBUTOR'S SUBSCRIBERS, DISTRIBUTOR'S SUBSCRIBERS' EMPLOYEES, OR ANY OTHER THIRD PARTY UNDER ANY THEORY OF LIABILITY HOWEVER ARISING, FOR ANY COSTS OF COVER OR FOR INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, CONSEQUENTIAL, OR OTHER DAMAGES OF ANY KIND (INCLUDING ANY LOSS OF USE, INTERRUPTION OF BUSINESS, LOSS OF BUSINESS PROFITS, LOSS OF BUSINESS INFORMATION AND THE LIKE) ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT INCLUDING BUT NOT LIMITED TO USE OR INABILITY TO USE ADVANTIUS HRMS/PAYROLL AND/OR ADVANTIUSWEB, OR FOR ANY CONTENT OBTAINED FROM OR THROUGH THE USE OF THESE SYSTEMS, EVEN IF ADVANTIUS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE EXCLUSIONS SHALL APPLY IN SPITE OF ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED WARRANTY OR REMEDY.
- 8.1.13. FURTHER, IN NO EVENT SHALL ADVANTIUS OR ITS LICENSORS BE LIABLE FOR: ANY DIRECT DAMAGES OF ANY TYPE OR KIND (INCLUDING LOST PROFITS ARISING UNDER THIS AGREEMENT); ANY INDIRECT, SPECIAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, ARISING UNDER THIS AGREEMENT OR FROM PERFORMANCE THEREUNDER BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE, WHETHER OR NOT IT HAD ANY KNOWLEDGE, ACTUAL OR CONSTRUCTIVE, THAT SUCH DAMAGES MIGHT BE INCURRED.
- 8.1.14. LASTLY, IF IN SPITE OF ANY OTHER PROVISIONS CONTAINED HEREIN, THERE SHALL BE ANY LIABILITY OF ADVANTIUS TO DISTRIBUTOR, DISTRIBUTOR'S SUBSCRIBERS, DISTRIBUTOR'S SUBSCRIBERS' EMPLOYEES OR ANY OTHER THIRD PARTY THAT ARISES OUT OF OR IS IN ANYWAY RELATED TO THIS AGREEMENT, ADVANTIUS' TOTAL LIABILITY FOR ALL DAMAGES, LOSSES, AND CAUSES OF ACTION WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EITHER JOINTLY OR SEVERALLY, SHALL NOT EXCEED THE AGGREGATE OF ALL SERVICE FEES PAID BY DISTRIBUTOR OVER THE PRIOR SIX (6) MONTHS OF THE AGREEMENT. THIS LIMITATION OF LIABILITY REFLECTS AN ALLOCATION OF RISK BETWEEN THE PARTIES IN VIEW OF THE FEES CHARGED AND IS NOT A PENALTY AND SHALL BE EXCLUSIVE. THE LIMITATION OF THIS AGREEMENT SHALL APPLY IN SPITE OF ANY FAILURE IN ESSENTIAL PURPOSE OF ANY LIMITED WARRANTY OR REMEDY.

9. Term of Agreement

This Agreement shall remain in effect for three (3) years from the Effective Date (the "Term" of the Agreement). In order to renew this Agreement the parties shall negotiate any changes to Services and/or Fees, and memorialize such changes by way of addendum to this Agreement. This Agreement may be renewed in consecutive two-year terms or as otherwise expressly agreed by the parties.

10. Termination of Agreement.

Except upon the expiration of the Term of this Agreement, this Agreement may only be terminated as follows:

- 10.1. Default by Distributor.** Distributor shall be considered to be in default under this Agreement upon the occurrence of either of the following:
- 10.1.1. Failure to make a payment under this Agreement when due to Advantius; or
 - 10.1.2. Failure to perform any non-monetary obligation or responsibility under this Agreement which is not a result of a default by Advantius (as defined by §10.2 below) within five (5) days after written notice of such failure or, if cure is not possible within five days, failure to commence cure within five days and diligently pursue it to completion thereafter.
- In the event of default, Advantius shall be entitled to immediately terminate this Agreement and pursue all other remedies allowed under this Agreement, at law or in equity.
- 10.2. Default By Advantius.** Advantius shall be considered to be in default under this Agreement upon the occurrence of the following:

ADVANTIUS, INC.
ASO DISTRIBUTION AGREEMENT
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10.2.1. Failure to perform any material Service (see §1) under this Agreement which is not a result of a default by Distributor (as defined by § 10.1 above): 1) within five (5) business days after written notice of such failure, or; 2) if cure is not possible within five days, failure to commence cure within five days and diligently pursue it to completion thereafter.

In the event of default, Distributor may immediately terminate this Agreement and pursue all other remedies allowed under this Agreement, at law or in equity.

10.3. Return Of Subscriber's Data Upon Termination. Upon termination of this Agreement, or upon termination of an agreement between Distributor and its Subscriber, and upon payment by Distributor of any Fees outstanding under this Agreement, Advantius shall provide the most recent backup (data backed up nightly on all business days) of Subscriber's SQL data tables on a 20 GB DLT tape to Subscriber within 72 hours of receiving Subscriber's written request.

11. Resolution Of Disputes

11.1. Informal Dispute Resolution. Prior to commencing any litigation or other formal dispute resolution, the Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement through negotiation between representatives. Either Party may give the other Party written notice of any dispute not resolved in the normal course of business.

11.2. Arbitration. If the parties are not able to resolve a dispute amongst themselves pursuant to §11.1, then either party shall, upon notice to the other Party, submit the dispute to binding arbitration in accordance with this §11.2.

11.2.1. The arbitration shall be held in Salt Lake City, Utah, before a panel of three (3) arbitrators selected from the American Arbitration Association's National Roster of Arbitrators who are all experienced and knowledgeable in Commercial law. Either Party may, by notice to the other Party, demand arbitration by serving on the other Party a statement of the dispute, the facts relating or giving rise to such dispute and the name of the arbitrator selected by it.

11.2.2. Within ten (10) business days after receipt of such notice, the other Party shall name its arbitrator, and the two arbitrators named by the Parties shall, within five (5) business days after the date of such notice, select the third arbitrator. All arbitrators must meet the qualifications detailed in §11.2.1.

11.2.3. The arbitration shall be governed by Utah law; and the arbitration shall be administered in compliance with the parameters detailed in this §11.2. The arbitrators may not amend or disregard any provision of this §11.2.

11.2.4. The arbitrators shall allow and govern discovery in compliance with the Utah Code of Civil Procedure.

11.2.5. The decision of an award rendered by the arbitrators shall be final and binding on the Parties. The Arbitrators shall issue a written opinion specifying the factual and legal basis for the award. The Judgment on the award of the arbitrators may be entered in and enforced by any court of competent jurisdiction.

11.2.6. Except for (a) an action to seek injunctive relief or (b) any action necessary to enforce or challenge the award of the arbitrators as beyond its permitted jurisdictional scope, the provisions of this §11.2 are a complete defense to any suit, action or other proceeding instituted in any court or before any administrative tribunal with respect to any dispute, controversy or claim arising out of or related to this Agreement or the creation, validity, interpretation, breach or termination of this Agreement.

11.2.7. The final award and details of any matter submitted to arbitration pursuant to §11.2 shall be confidential and not disclosed by either party unless in response to a valid order by a court or other governmental body, or otherwise required by law.

11.3. Attorney's Fees. Advantius and Distributor agree that in the event that a dispute shall arise concerning this Agreement and/or the Services provided by Advantius, and the dispute is submitted to arbitration in accordance with the terms of §11.2. Of this Agreement and a formal decision is rendered through that arbitration process, the prevailing party shall be entitled to recover from the non-prevailing party reasonable attorney's fees and costs incurred by the prevailing party in connection

12. Other Terms

12.1. Severability. Advantius and Distributor agree that if any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement which can be given effect without the invalid provisions of applications and to this end the provisions of the Agreement are declared to be severable.

ADVANTIUS, INC.
ASO DISTRIBUTION AGREEMENT
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12.2. Assignability. Advantius and Distributor agree not to assign all or any part of this Agreement to any third party without the written consent of the other party. Such consent shall not be unreasonably withheld. Any purported assignment which fails to comply with this provision shall be voidable by the other party.

12.3. Notices. All notices required or permitted to be given under this Agreement (other than routine operational communications) shall be in writing and shall be sent by prepaid registered or certified mail, return receipt requested, or by overnight courier with a reliable tracking system. All notices will be addressed by a Party to the other as follows:

In the case of Distributor:

Attention: _____

In the case of Advantius:

Advantius, Inc.
1111 Brickyard Road, Suite 109
Salt Lake City, UT 84106

Attention: Jonathan K. Driggs

A Party may change its address from time to time upon written notice to the other Party specifying the effective date of the new address.

12.4. Failure to Enforce Not a Waiver. The failure of either party at any time to require performance by the other party of any provision hereof will not effect in any way the full right to require such performance at any time thereafter. For a permanent waiver of a provision of this Agreement to be accomplished, it must be expressed in writing by the party that is waiving its right.

12.5. Force Majeure. A party shall not be deemed to have defaulted or failed to perform hereunder if that party's inability to perform or default shall have been caused by an event or events beyond the control and without the fault of that party, including (without limitation) acts of Government, embargoes, fire, flood, explosions, acts of God or a public enemy, strikes, labor disputes, vandalism, civil riots or commotions.

12.6. Headings. All section or sub-section headings used in this Agreement are for convenience only and are not intended to be substantive or determinative in nature.

12.7. Jurisdiction. Advantius and Distributor agree that any disputes or controversies of any kind relating in any way to this Agreement and/or the services provided by Advantius, whether sounding in tort, contract or otherwise, shall be construed in accordance with the laws of the State of Utah. Advantius and Distributor agree that after exhaustion of §11.2 (Arbitration) of this Agreement, any judicial proceeding related in any way to this Agreement and/or the services provided by Advantius shall be brought exclusively in the United States District Court for the District of Utah or the Third Judicial District of Salt Lake County, State of Utah. Advantius and Distributor hereby consent to the personal jurisdiction of the state and federal courts of the State of Utah, and waive any right they may have to contest the personal jurisdiction of the state and federal courts of the State of Utah.

12.8. Entire Agreement. Advantius and Distributor agree that this Agreement, including Appendixes A, B, and C constitutes the entire agreement and understanding of the parties and may not be amended, changed, modified, released, discharged, abandoned, or otherwise terminated, in whole or in part, in any manner except by written agreement signed by both parties which clearly and unequivocally expresses an intent to amend or modify this Agreement.

ADVANTIUS, INC.
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ADVANTIUS, INC.

By: _____

Its: _____

Dated this ____ day of _____, 2001.

ADMINASOURCE, INC.

By: _____

Its: _____

Dated this ____ day of _____, 2001.

ADVANTIUS

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APPENDIX A

Advantius ASO Services Description For Adminasource, Inc.

Advantius ASO Services For Distribution	Advantius Will Provide	Distributor Responsibilities ¹	Fees
Payroll Processing: <ul style="list-style-type: none"> • Weekly* (See fees) • Bi-weekly • Semi-Monthly • Monthly • Other 	<ul style="list-style-type: none"> • Create Rapid-Pay-Data-Entry (RPDE) files for Subscribers if required • Load RPDE files from Subscribers if required • Open Payroll • Calculate Pay • Create Direct Deposit Files • Print Checks - to Distributor's site or to Advantius • Print Direct Deposit Advices • Post Payroll • Close Payroll • Generate Billing Invoice • Create Direct Debit file 	<ul style="list-style-type: none"> • Enter payroll data into the HRMS/Payroll system (if RPDE is not used by Subscriber) • Stuff Check envelopes • Print Payroll Reports • Deliver Payroll to Subscriber • Inform Subscriber to notify Advantius of a new table code setup or payroll problem 	Included in core fees, except: <ul style="list-style-type: none"> • \$25 delivery fee per delivery if delivered by Advantius • *Additional charge will apply for weekly payrolls - refer to Appendix B • Cost of check stock
Off-Cycle Payroll Processing (a payroll processed not as part of the regularly scheduled payroll cycle)	<ul style="list-style-type: none"> • Create Supplemental payroll if required • Create RPDE file if required • Load RPDE if required • Calculate Pay • Create Direct Deposit Cycle if required • Print Checks - to Distributor's site or to Advantius • Post off-cycle run • Close off-cycle run • Generate Billing Invoice • Create Direct Debit File 	<ul style="list-style-type: none"> • Enter in off-cycle payroll data into the HRMS/Payroll system (if RPDE is not used by Subscriber) • Stuff Check envelopes • Print Payroll Reports • Deliver Payroll to Subscriber 	<ul style="list-style-type: none"> • \$15 per check for 1-15 checks per Subscriber • \$10 per check for 16-25 checks per Subscriber • \$5 per check for 26 or more checks per Subscriber
Manual Checks - (checks processed by Subscriber not using the HRMS/Payroll system requiring the information to be entered manually into the system)	<ul style="list-style-type: none"> • Post on next scheduled payroll 	<ul style="list-style-type: none"> • Enter in payroll data into the HRMS/Payroll system (if RPDE is not used by Subscriber) • Enter in check number and posting date 	Included in core fees
Payroll Tax Filing Service	<ul style="list-style-type: none"> • Set up and test payroll tax jurisdictions in the HRMS system • Set up interfaces for EFT where permitted • Set up relationship with taxing authorities - change mailing address to be Advantius' • Payroll tax deposits • Reconcile and Process tax data - daily, monthly, quarterly, & annually • Respond to initial payroll tax 	<ul style="list-style-type: none"> • Provide current and correct documentation on each Subscribers payroll tax jurisdiction and liability • Collect at least 2 prior quarter's payroll tax returns from the Subscribers • Provide a bank account for tax deposits to be drawn out of • Ensure Subscriber is compliant with payroll tax laws and requirements 	Included in core fees

¹ Includes some tasks Distributor may require its Subscribers to perform under its direction—Distributor is nevertheless responsible for ensuring completion of each task listed in this section.

Accepted for Advantius: _____ Accepted for Distributor: _____

**ADVANTIUS ASO DISTRIBUTION AGREEMENT
APPENDIX A: ASO SERVICES DESCRIPTION**

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Advantius ASO Services For Distribution	Advantius Will Provide	Distributor Responsibilities¹	Fees
Quarterly Tax Service	<ul style="list-style-type: none"> agency inquiries regarding payroll tax filings and deposits Provide copy of deposits and filings File and deposit all federal, state, and local payroll tax liabilities File state required worksite reports <p>Calculate, file, deposit and provide documentation on the following:</p> <ul style="list-style-type: none"> Federal Unemployment tax Federal tax return 941 State quarterly wage reports State unemployment insurance and disability reconciliation State income and local income tax deposits 	<ul style="list-style-type: none"> Store copies of all payroll tax deposit and filing documentation Provide Advantius with a power-of-attorney for the Subscriber's payroll tax liabilities <p>(See above)</p>	
Annual Tax Service	<p>Calculate, file, deposit and provide documentation on the following:</p> <ul style="list-style-type: none"> Federal 940 form W3 transmittal form State income and local income tax deposits State unemployment insurance and disability reconciliation's 	<p>(See above)</p>	
New state or new tax jurisdiction registration	<ul style="list-style-type: none"> File all registration forms on behalf of Subscriber to the appropriate payroll tax agency 	<ul style="list-style-type: none"> Ensure Subscriber notifies Advantius of new state or payroll tax jurisdiction liability 	Included in core fees
W-2 Processing & Distribution	<ul style="list-style-type: none"> Reconcile annual amounts Print W-2's to paper or electronically Mail W-2's if required File State W-2's with appropriate payroll tax agencies 	<ul style="list-style-type: none"> Ensure employee personnel data are correct Inactivate all terminated employees 	<ul style="list-style-type: none"> Based on the cost of W-2 forms A \$.50 fee per W-2 printed if printed by Advantius Additional charge for delivery/postage
Advantius Human Resource Management/Payroll System (HRMS/Payroll): powered by Ultipro	<ul style="list-style-type: none"> Server Space for Master Company ICA Citrix Client Secured Login Employee View/Edit feature Access to Standard Reports Payroll Pay Data Entry Manual Check feature Tax Table updates 	<p>System Requirements:</p> <ul style="list-style-type: none"> Operating System Microsoft Windows NT version 4.0 Workstation/Windows 2000 Professional Pentium Processor RAM 64 MB (minimum) Disk Space: 10 MB for ICA Client HP Laserjet Series 8000N (or equivalent) Printer, with minimum 24 MB RAM with MICR toner Bandwidth Requirements: 256Kbps or faster 	Included in core fees
Initial Implementation of Advantius HRMS/Payroll System for Distributor (to be prepared to offer Services to Subscribers)	<ul style="list-style-type: none"> Limited customization for Master company based on Implementation Project Tool (IPT) Population of Master company tables based on IPT Subscriber customization based on Quick Setup Document Code Filters by Subscriber Billing Documents created based on Subscriber fees ACH bank formats setup Distributor logo installed Distributor Signature file installed – 	<ul style="list-style-type: none"> Complete IPT provided by Advantius 	<ul style="list-style-type: none"> Included in Distributor Implementation Fee

**ADVANTIUS ASO DISTRIBUTION AGREEMENT
APPENDIX A: ASO SERVICES DESCRIPTION**

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Advantius ASO Services For Distribution	Advantius Will Provide	Distributor Responsibilities¹	Fees
	<ul style="list-style-type: none"> up to 3 signature lines Cognos Report Writing Tool 		
Implementation of Distributor's Subscribers (per Subscriber)	<ul style="list-style-type: none"> Creation of component company Population of component companies tables based on Quick Setup IPT Direct Deposit file setup Subscriber Billing Rules 	<ul style="list-style-type: none"> Ensure timely completion of Subscriber's Quick Setup Document based on information provided in the IPT Maintaining Employee Maintenance in the HRMS/Payroll system Maintaining Employee files New employee setup – unless contracted with Advantius to do this based upon the fees listed 	<ul style="list-style-type: none"> Included in Subscriber Implementation Fees
File Imports and Exports to or from: <ul style="list-style-type: none"> Third Party Administrators or vendors Distributor's or Subscriber's accounting system Time and Attendance system 	<ul style="list-style-type: none"> Creation of Import File format Creation of Export File format File data conversion 	<ul style="list-style-type: none"> Provide proper file information 	Import and Export file creations are a separate implementation. The fee is based on a per hour charge and complexity of implementation
AdvantiusWeb Manager Self-Service (MSS): powered by Ultipro	<ul style="list-style-type: none"> Manager Login Web Administration of: <ul style="list-style-type: none"> Links Forms Documents Distributor or Subscriber Logo 	System Requirements: <ul style="list-style-type: none"> Operating System Microsoft Windows NT version 4.0 (or higher) Workstation/Windows 2000 Professional or Microsoft Windows 9x (includes ME) RAM 64 MB (minimum) Browser: IE 5.0 or higher Provide Subscriber provider information 	Included in core fees
AdvantiusWeb Employee Self-Service (ESS): powered by Ultipro	<ul style="list-style-type: none"> Setup of new employee's logins and passwords Resetting of passwords 	System Requirements: <ul style="list-style-type: none"> Operating System Microsoft Windows NT version 4.0 (or higher) Workstation/Windows 2000 Professional or Microsoft Windows 9x (includes ME) RAM 64 MB (minimum) Browser: IE 5.0 or higher 	Included in core fees
Web Implementation	<ul style="list-style-type: none"> Web IPT for customization of Distributor's site URL creation User roles established for managers and employees established Context and Policy regarding web usage established Workflow setup and maintenance Limited customization of buttons and links based on the Web IPT Benefits Enrollment setup and maintenance 	<ul style="list-style-type: none"> Complete Web IPT for Distributor and Subscriber's web pages Benefits information 	Included in Implementation fee
Distributor Administrator Training	<ul style="list-style-type: none"> Training Documentation Quick Setup Documentation orientation <p>Training will consist of the following and will be done using the Citrix ICA Client:</p> <ul style="list-style-type: none"> Employee View/Edit Standard Reports Payroll Pay Data Entry 	<ul style="list-style-type: none"> Provide an Administrator 	<p>Included in core fees, except for:</p> <ul style="list-style-type: none"> All expenses if training is needed at the Distributor's Location

ADVANTIUS ASO DISTRIBUTION AGREEMENT**APPENDIX A: ASO SERVICES DESCRIPTION**

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Advantius ASO Services For Distribution	Advantius Will Provide	Distributor Responsibilities¹	Fees
Garnishment Processing Service	<ul style="list-style-type: none"> • MSS and ESS features • Completion and mailing of Interrogatories 	<ul style="list-style-type: none"> • New Garnishments 	Included in core fees for garnishments in New Jersey or states where interrogatories are not required. Otherwise: administration fees are: <ul style="list-style-type: none"> • Child support garnishment: \$5 per transaction • Civil/Credit garnishment: \$8 per transaction
Health & Welfare Benefits Processing Services <i>PER DISTRIBUTOR'S REQUEST, THIS SERVICE IS NOT INCLUDED IN SERVICE OFFERING.</i>	<ul style="list-style-type: none"> • Reconciliation of billing statements • Payment of premiums to carriers • Web links to carriers and/or providers on MSS and ESS web sites • Benefits tracking and reports 	<ul style="list-style-type: none"> • Provide relevant information regarding benefit plan changes and employee participation. 	<i>SERVICE NOT INCLUDED—Subscribers reconcile and pay their own health & welfare benefit premiums</i>
Workers' Compensation Insurance Processing Services <i>PER DISTRIBUTOR'S REQUEST, THIS SERVICE IS NOT INCLUDED IN SERVICE OFFERING.</i>	<ul style="list-style-type: none"> • Reconciliation of billing statements • Payment of premiums to carriers • Web links to carriers and/or providers on MSS web sites • OSHA tracking and reports 	<ul style="list-style-type: none"> • Provide relevant information regarding plans and fees. 	<i>SERVICE NOT INCLUDED—Subscribers reconcile and pay their own Workers Compensation insurance premiums.</i>
Discounted rates for human resource and legal compliance consulting services.	<ul style="list-style-type: none"> • HR and Legal Compliance Consultants 	<ul style="list-style-type: none"> • Seek preapproval from Advantius regarding specific consulting projects. • Coordinate consulting work with Subscriber as needed. 	Subscriber receives discounted hourly rate. Distributor receives 20% commission on hourly fees charged to Subscriber. Rates subject to change.
Discounted rate for human resource and legal compliance training services, including: harassment prevention workshops, employment law training for managers, performance management, etc.	<ul style="list-style-type: none"> • Training Seminars, Seminar Materials and Presenters 	<ul style="list-style-type: none"> • Seek preapproval from Advantius regarding specific training services. • Coordinate training services with Subscriber as needed. 	Subscriber receives discounted rate for training services. Distributor receives 20% commission on training fees generated (net after expenses). Rates subject to change
New Employee Setup	<ul style="list-style-type: none"> • Setup new employees • Report new employees to proper state agency 	<ul style="list-style-type: none"> • Provide new employee documentation 	Waived if performed by Adminsource or Subscriber. If performed by Advantius: <ul style="list-style-type: none"> • \$15 per new employee setup
Assigned Account Manager	<ul style="list-style-type: none"> • Dedicated Account Manager for Distributor • A dedicated customer service toll free number • Additional training provided by Account Manager 		Included in core fees

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APPENDIX B
Pricing Proposal:
Private Label ASO Services Agreement—Initial Term
Adminasource, Inc.

MONTHLY ADMINISTRATIVE FEES				
Total Number of Employees (Employees From All of Distributor's Subscribers Combined)	Per Employee Per Month (PEPM) Distributor Price*			
	ASO	Payroll Only	Payroll Plus Web	ASP
0 – 3000	\$ 15.10	\$ 9.00	\$ 11.50	\$ 7.25
3001 – 6000	\$ 14.20	\$ 8.75	\$ 11.20	\$ 6.95
6001 – 9000	\$ 13.35	\$ 8.50	\$ 10.85	\$ 6.60
9001 – 12000	\$ 12.40	\$ 8.25	\$ 10.50	\$ 6.35
12001 – 15000	\$ 11.60	\$ 8.00	\$ 10.10	\$ 6.00
15001 – 18000	\$ 10.85	\$ 7.60	\$ 9.90	\$ 5.60
18001 – 21000	\$ 10.25	\$ 7.30	\$ 9.50	\$ 5.20
21001 – 24000	\$ 9.75	\$ 7.00	\$ 9.00	\$ 4.80
24000+	\$ 9.40	\$ 6.60	\$ 8.50	\$ 4.45

*The above pricing is for bi-weekly, semi-monthly or monthly payrolls only. \$.50 Per Employee Per Month will be added to the above prices for weekly payroll (weekly surcharge waived for clients enrolled prior to 1/1/2002).

The PEPM is charged for all of Subscribers' employees who are on "active status" on Advantius HRMS/Payroll regardless if Subscriber runs their regularly scheduled payrolls or not. The PEPM is the same for all employees regardless of employee classification (e.g., full-time, part-time, exempt, non-exempt, etc.)

IMPLEMENTATION FEES	
<i>Distributor Implementation Fee:</i> One-time fee for new Distributor.	\$ 4,500.00*
<i>Subscriber Implementation Fee:</i> One-time fee for each new Subscriber for ASO, Payroll or Payroll plus Web implementations. Pricing does not apply to ASP implementations. ASP implementations are considered customized implementations and require pricing based upon completion of scope document.	1-25 Employees - \$100* 26-50 Employees - \$195* 51-100 Employees - \$325* 101-150 Employees - \$450* 151-200 Employees - \$500* 201-300 Employees - \$600* 301-500 Employees - \$750* 501+ Employees - \$1000*
<i>New Employee Set-up Fee:</i> Only applies to Subscriber's employees hired after Services have begun for particular Subscriber (does not apply to Subscriber's employees at time of Subscriber's implementation).	Waived if Distributor does new employee set-up; \$15 per employee if Advantius performs set-up
<i>New State Registration Set-up Fee:</i> No charge for set up for state in which Subscriber is domiciled. Fee applies for all other states in which Subscriber has employees.	Waived
<i>Signature Scan:</i> Required signatures printed directly onto checks—up to two (2) signature lines and two (2) signatures.	Waived
<i>Logo Scan:</i> Subscriber or Distributor logo printed onto checks.	Waived

*The above Implementation Fees are good for Advantius HRMS/Payroll and AdvantiusWeb standard offerings only; additional charges apply for customized implementations. Customized implementation pricing is based upon scope document.

Accepted for Advantius: _____ Accepted for Distributor: _____
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